

IC 21-2-12

Chapter 12. Supplementary School Financing

IC 21-2-12-1

Short title

Sec. 1. This chapter shall be known and may be cited as the Supplemental School Corporation Financing Act.

(Formerly: Acts 1963(ss), c.38, s.1.) As amended by P.L.2-1988, SEC.674.

IC 21-2-12-2

Declaration of policy

Sec. 2. It is hereby declared to be the policy of this chapter:

(a) That in certain areas in this state there exists a condition created by the shift in population from urban centers to outlying areas which has created administrative and financial problems in the maintenance and operation of school systems in such areas, resulting in maladjustment of taxable wealth in such areas for the levying of taxes for the operation of the schools;

(b) That improvement in the administrative and financial structures of the school corporations existing in such outlying areas to the urban centers is essential for the establishment and maintenance of a general uniform and efficient system of public schools to provide a more equalized educational opportunity for public school pupils, the achievement of greater equity in school tax rates among the inhabitants of the various now existing school corporations in such areas, and the provision for more use of the public funds expended for the support of the public school system;

(c) That existing statutes with respect to the granting of financial assistance on a county-wide basis, allowing a more favorable use of the taxable wealth of the county for the support of the various school districts within the county, are inadequate to effectuate the need for this improvement in those areas described herein; and

(d) That modification in the present statutory provisions pertaining to the levying of tax rates for school purposes for such areas as qualify within the definitions in this chapter is essential to carry out the purposes of IC 20-4-1, and to that end it is the intent of this general assembly, by this chapter, to make provision for a more satisfactory use of the taxable wealth of counties that qualify under this chapter for the promotion, betterment, and improvement of their educational systems.

(Formerly: Acts 1963(ss), c.38, s.2.) As amended by Acts 1976, P.L.108, SEC.1.

IC 21-2-12-3

Definitions

Sec. 3. As used in this chapter:

(a) "County" means a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000).

(b) "County auditor", "county treasurer", and "county council" mean, respectively, the auditor, treasurer, and county council of the county.

(c) "School corporation" means any school corporation of the state of Indiana which has under its jurisdiction any territory located in the county.

(d) "County supplemental school financing tax" means the tax to be levied by the board of county commissioners under this chapter.

(e) "County school distribution fund" means the county fund into which the receipts from the county supplemental financing tax shall be credited and from which distributions to the school corporations shall be charged.

(f) "Average daily membership" or "ADM" has the meaning set forth in IC 21-3-1.6-1.1.

(g) "Assessed valuation" of any school corporation means the net assessed value of its real and taxable personal property adjusted by a percentage factor. For each school corporation this factor shall be the most recent adjustment factor computed by the department of local government finance pursuant to IC 6-1.1-34.

(h) "School year" means a year beginning July 1 and ending the next June 30.

(i) The "entitlement" of a school corporation is that portion of the county school distribution fund to which any school corporation is entitled for any calendar year and on the basis of which the county supplemental school financing tax is set under the provisions of this chapter.

(j) "Eligible pupil" has the meaning set forth in IC 21-3-1.6-1.1. *(Formerly: Acts 1963(ss), c.38, s.3; Acts 1972, P.L.171, SEC.3.) As amended by Acts 1976, P.L.108, SEC.2; P.L.20-1984, SEC.186; P.L.3-1990, SEC.75; P.L.12-1992, SEC.117; P.L.119-1996, SEC.16; P.L.50-1996, SEC.11; P.L.119-1996, SEC.17; P.L.3-2000, SEC.4; P.L.90-2002, SEC.427.*

IC 21-2-12-3.1 Repealed

(Repealed by P.L.273-1999, SEC.147.)

IC 21-2-12-4

Repealed

(Repealed by Acts 1976, P.L.108, SEC.9.)

IC 21-2-12-4.1

County school supplemental financing tax

Sec. 4.1. (a) Each calendar year, commencing in 1976, the county council shall impose on account of this fund the county school supplemental financing tax on the real and personal property subject to taxation by the county at the same time it adopts the county's budget, tax levy, and tax rate for the next calendar year under IC 6-1.1-17. The council shall set a rate for this tax which will produce the aggregate amount of the entitlements of the school corporations for the next calendar year as set out in section 6.1 of

this chapter. In no event, however, may the amount of such levy be greater than the total dollar amount of that levy for 1972, payable in the calendar year 1973, assuming one hundred percent (100%) tax collection, multiplied by the ADA ratio (as defined in IC 6-1.1-19-1(d)).

(b) On or before July 10 of each year, the state superintendent of public instruction shall certify to the county auditor the consolidated ADA ratio of the school corporations in the county, the number of pupils in ADM of each school corporation in the county for the immediately preceding school year, and an estimate of these statistics for the succeeding school year. The county auditor shall compute the amount of the county supplemental school tax to be levied each year and on or before August 1 certify the amount to the county council. The rate required by this chapter shall be advertised and fixed by the county council in the same manner as other rates, and the tax rate shall be subject to all applicable law relating to review by the county tax adjustment board and the department of local government finance. The department of local government finance shall, however, certify the county supplemental school financing tax rate required by this chapter at the time it certifies the other county rates. The department of local government finance shall raise or lower this rate to the rate provided in this chapter, whether below or above the rate advertised by the county.

As added by Acts 1976, P.L.108, SEC.4. Amended by P.L.50-1996, SEC.12; P.L.3-2000, SEC.5; P.L.90-2002, SEC.428.

IC 21-2-12-5

Repealed

(Repealed by Acts 1976, P.L.108, SEC.9.)

IC 21-2-12-5.1

Maximum levy limit

Sec. 5.1. The maximum levy limit which the county may levy for a particular year equals the maximum levy limit otherwise prescribed for the county for that year by IC 6-1.1-18.5. The amount levied for that year under the supplemental school financing tax is included within the maximum levy limit.

As added by Acts 1976, P.L.108, SEC.5. Amended by P.L.73-1983, SEC.18.

IC 21-2-12-6

Repealed

(Repealed by Acts 1976, P.L.108, SEC.9.)

IC 21-2-12-6.1 Version a

County supplemental school distribution fund; deposits and distributions

Note: This version of section effective until 1-1-2004. See also following version of this section, effective 1-1-2004.

Sec. 6.1. (a) The county supplemental school financing tax

revenues shall be deposited in the county supplemental school distribution fund. In addition, for purposes of allocating distributions of tax revenues collected under IC 6-5-10, IC 6-5-11, IC 6-5.5, IC 6-6-5, IC 6-6-5.5, or IC 6-6-6.5, the county supplemental school financing tax shall be treated as if it were property taxes imposed by a separate taxing unit. Thus, the appropriate portion of those distributions shall be deposited in the county supplemental school distribution fund.

(b) The entitlement of each school corporation from the county supplemental school distribution fund for each calendar year after 2000 shall be the greater of:

- (1) the amount of its entitlement for the calendar year 2000 from the tax levied under this chapter; or
- (2) an amount equal to twenty-seven dollars and fifty cents (\$27.50) times its ADM.

As added by Acts 1976, P.L.108, SEC.6. Amended by P.L.88-1983, SEC.11; P.L.347-1989(ss), SEC.21; P.L.50-1996, SEC.13; P.L.181-1999, SEC.20; P.L.3-2000, SEC.6.

IC 21-2-12-6.1 Version b

County supplemental school distribution fund; deposits and distributions

Note: This version of section effective 1-1-2004. See also preceding version of this section, effective until 1-1-2004.

Sec. 6.1. (a) The county supplemental school financing tax revenues shall be deposited in the county supplemental school distribution fund. In addition, for purposes of allocating distributions of tax revenues collected under IC 6-5.5, IC 6-6-5, IC 6-6-5.5, or IC 6-6-6.5, the county supplemental school financing tax shall be treated as if it were property taxes imposed by a separate taxing unit. Thus, the appropriate portion of those distributions shall be deposited in the county supplemental school distribution fund.

(b) The entitlement of each school corporation from the county supplemental school distribution fund for each calendar year after 2000 shall be the greater of:

- (1) the amount of its entitlement for the calendar year 2000 from the tax levied under this chapter; or
- (2) an amount equal to twenty-seven dollars and fifty cents (\$27.50) times its ADM.

As added by Acts 1976, P.L.108, SEC.6. Amended by P.L.88-1983, SEC.11; P.L.347-1989(ss), SEC.21; P.L.50-1996, SEC.13; P.L.181-1999, SEC.20; P.L.3-2000, SEC.6; P.L.192-2002(ss), SEC.163.

IC 21-2-12-7

Repealed

(Repealed by Acts 1976, P.L.108, SEC.9.)

IC 21-2-12-7.1

Collection of county supplemental school financing tax; warrant

for distributions

Sec. 7.1. The county officials charged with the duty of collecting and receiving receipts from county taxes shall collect and receive the county supplemental school financing tax in the same manner as other county taxes. The county auditor shall issue a warrant to the county treasurer for the distributions from the county school distribution fund to the school corporations in the amounts to which they are entitled under this chapter. Such distributions shall be made at the same time as other property tax levies in each semi-annual tax settlement period, with the right of the school corporations to obtain advance draws. Receipts from the county school distribution fund shall be credited by each school corporation to its general fund. The budgets of each school corporation shall reflect the anticipated receipts from such tax. Appropriations shall be made from the general fund by the school corporations as other appropriations are made either in the annual budgets or by additional appropriations.

As added by Acts 1976, P.L.108, SEC.7.

IC 21-2-12-8**Repealed**

(Repealed by Acts 1976, P.L.108, SEC.9.)

IC 21-2-12-8.1**Deposit and distribution of funds; correction of error in tax rate**

Sec. 8.1. The treasurer of the county shall deposit the money collected from the county supplemental school financing tax in the county school distribution fund. The county auditor and the county treasurer shall distribute the money credited to the fund during a calendar year to the school corporations based on their entitlements for such year, adjusted as provided in this section.

In the event the county supplemental school financing tax rate is incorrect because of an error in calculating its amount, including but not limited to a mistake in the amount of assessment, this error shall be expeditiously corrected within the next two (2) calendar years by decreasing or increasing the rate of the tax set during those two (2) years. In the event the entitlement received by a school corporation in any calendar year is more or less than its entitlement on account of an error in calculation, such amount of entitlement of a school corporation shall be similarly adjusted within the next two (2) calendar years. In the event the money credited to the county school distribution fund during any year is more or less than the aggregate entitlements of the school corporations of the county for that year, except for a greater or lesser receipt incident to an error in calculating an entitlement or its correction, the county auditor shall increase or reduce each school corporation's entitlement by the same percentage. In any event, the entire fund for each calendar year shall be distributed.

As added by Acts 1976, P.L.108, SEC.8.

IC 21-2-12-9

Repealed

(Repealed by Acts 1976, P.L.108, SEC.9.)

IC 21-2-12-10

Certifications required by state officials

Sec. 10. The department of local government finance and the state superintendent of public instruction shall make certifications of any information in their possession, or any other certifications required by this chapter which will facilitate its execution.

(Formerly: Acts 1963(ss), c.38, s.10.) As amended by P.L.2-1988, SEC.675; P.L.90-2002, SEC.429.